Lifting of ban on Defence Agents

330. SHRI NAGENDRA NATO OJHA:
SHRI J. CHITHARANJAN:

Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that the 14 years ban on defence agents has been lifted;

(b) if so, the details thereof;

(c) whether any guidelines and regulatory mechanism have been formulated for the registration of such agents; and

(d) if so, the details thereof?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) to (d) Yes, Sir. A Comprehensive formulation of the role, if any, which Authorised Representatives/Agents employed by foreign suppliers for the promotion of their product, may legitimately be expected to play, had been receiving the attention of Government for some time. The entire policy has been extensively reviewed recently with the objective of defining the scope, extent and the conditions within which such Authorised Representatives/Agents may be allowed to represent a foreign supplier or suppliers.

It is in this context that Ministry of Defence have on 2nd November 2001 issued comprehensive instructions relating to appointment of Indian Authorised Representative/Agents by foreign suppliers for the promotion of their product.

The instructions, *inter-alia,* include the following details:—

(a) All foreign suppliers who wish to appoint Indian Authorised Representatives/Agents would register them with the Ministry of Defence.

(b) The Authorised Representative/Agent could be an individual, a partnership, an association of persons, a limited company, Private or Public;

(c) The agent must be an income tax payee.

(d) The foreign supplier appointing an agent must furnish copies detailing Agreement/terms of appointment.

(e) The obligations of an Authorised Representative/Agent will flow from the contract entered with the Ministry of Defence.

(f) The foreign supplier will have to declare the payments made to the Authorised Representative/Agent.

(g) Particulars relating to agency commission would be reported to the Enforcement Directorate of Central Board of Direct Taxes.

(h) The agent will be appointed with the approval of the Secretary of the Department or by an officer authorised by him.

(i) The Ministry of Defence, would have the right to terminate the appointment of Authorised Representative/Agent without any notice or assigning any reason.

TU-22 from Russia on lease

331. SHRIMATI VANGA GEETHA: Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that India is planning to receive TU-22 from Russia on lease; and

(b) if so, what are the terms and conditions finalised?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) and (b) It will not be in the national interest to disclose this information.